STAND. COM. REP. NO. 2314

Honolulu, Hawaii

FEB 1 4 2008

RE: S.B. No. 2521

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committees on Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs, to which was referred S.B. No. 2521 entitled:

"A BILL FOR AN ACT MAKING AN APPROPRIATION FOR RESERVOIRS, DAMS, AND DITCH SYSTEMS,"

beg leave to report as follows:

The purpose of this measure is to appropriate moneys for a feasibility study on the creation of a private or governmental entity to manage, operate, and maintain reservoirs, dams, and ditch systems in the county of Kaua'i. This entity would enter into voluntary agreements with reservoir, dam, and ditch owners to assume the responsibility to operate and maintain their systems and distribute water to users.

Testimony in support of this measure was submitted by the State Agribusiness Development Corporation, County of Kaua'i Office of the Mayor, County of Kaua'i Office of Economic Development, County of Kaua'i Fire Department, Kaua'i Chamber of Commerce, East Kauai Water Users' Cooperative, Kauai Organic Farms, Sustain Kauai/Save Our Seas, Save Waiakalua Group, Malama Kaua'i, Porter Irrigation, LLC, County of Kaua'i Office of the County Attorney, and one individual. Testimony in opposition to this measure was submitted by Lotus Farm and Nursery.

Your Committees find that the continued viability of reservoirs, dams, and ditch systems in the county of Kaua'i is necessary, since they are a part of the water infrastructure

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needed by agriculture. Additionally, water from the reservoirs is used by the fire department to suppress brush and wild fires and to recharge the aquifer.

The passage of the Hawaii Dam and Reservoir Safety Act (Act 262, Session Laws of Hawaii 2007) broadened the State's authority to regulate dams and reservoirs, adopt rules and standards for dams and reservoirs, and create new fees and penalties for owners in violation.

With the increased exposure to penalties and liability, owners of reservoirs, dams, and ditch systems in the County of Kaua'i are currently considering or are in the process of decommissioning their water supply systems. If the systems are decommissioned, the County will lose affordable sources of water for agriculture and may also place additional burdens on the County's water supply. The loss of these water sources will also negatively impact emergency services, from decreasing the county Fire Department's ability to quickly access water to fight brush and wildfires, to flooding as a result of water run off.

In many regions around the world, entities have been created to manage, operate, and maintain water storage and distribution facilities for the benefit of agricultural users. These entities are particularly necessary when the owners do not have an incentive to maintain the facilities because they do not need to use them to store or transmit the water for their own purposes.

Your Committees find that the creation of an entity to provide countywide or statewide operation and maintenance of reservoir, dam, and ditch systems could have beneficial results. For example, a management entity may be able to obtain insurance coverage unavailable to individual owners, and such an entity could provide an efficient operation and maintenance program across the State.

As affirmed by the records of votes of the members of your Committees on Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2521 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Hawaiian Affairs and Intergovernmental and Military Affairs,

LORRAINE R. INOUYE, Chair

JILL TOKUDA, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Agriculture and Hawaiian Affairs AHW

Bill / Resolution No.:*	Committee Referral: Date:							
58 2521	AHW/IGM, WAM 7 Feb 2008							
The committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye/	Aye (WR)	Nay	Excused			
TOKUDA, Jill N. (C)		V						
ENGLISH, J. Kalani (VC)		V						
GABBARD, Mike		V		·	/			
HEE, Clayton								
KOKUBUN, Russell S.								
SLOM, Sam		<i>V</i>						
TOTAL		5	O	ð				
Recommendation:								
Adopted Not Adopted								
Chair's or Designee's Signature: Claim English								
Distribution: Original File with Committee Rep	Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy							

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Intergovernmental and Military Affairs IGM

Bill / Resolution No.:* 5B 2521	Committee Referral: Date: 2/7/08						
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
INOUYE, Lorraine R. (C)					1500 med major Ord metapolita bertatanan 1		
TSUTSUI, Shan S. (VC)							
HEMMINGS, Fred							
TOTAL		2			1		
Recommendation: Adopted Not Adopted							
Chair's or Designee's Signature:							
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency							

^{*}Only one measure per Record of Votes